

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

RATE ADJUSTMENT OF KENTON)
COUNTY WATER DISTRICT) CASE NO. 8572

O R D E R

IT IS ORDERED that Kenton County Water District shall file an original and eight copies of the following information with the Commission, with a copy to the Attorney General's Consumer Protection Division by September 8, 1982. Each copy of the data requested should be placed in a bound volume with each item tabbed. Where a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Careful attention should be given to copied material to insure that it is legible. Moreover, Kenton County Water District shall furnish the name of the witness who will be responsible for responding to questions concerning each area of information outlined below.

1. The detailed work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment including the reason why

each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

2. Provide a detailed analysis of all advertising expenditures booked during the test period. This analysis should include a complete breakdown of advertising as shown in Format 1 attached. The analysis should, moreover, be specific as to the purpose of the expenditure and the expected benefit to be derived.

3. An analysis of Account 930 - Miscellaneous General Expenses for the test period. This should include a complete breakdown of this account as shown in attached Format 2, and also provide all detailed working papers supporting this analysis. At minimum, the work papers should show the date, vendor, reference (i.e. voucher no., etc.), dollar amount, and brief description of each expenditure.

4. A detailed analysis of contributions for charitable and political purposes (in cash or services). This analysis should indicate the amount of the expenditure, the recipient of the contribution, and the specific account charged.

5. A copy of the auditor's report from your most recent audit.

6. Provide the following information with regard to uncollectible accounts for the test year:

- a. Reserve account balance at the beginning of the year.
- b. Charges to reserve account (accounts charged off).

- c. Credits to reserve account.
- d. Current year provision.
- e. Reserve account balance at the end of the year.
- f. Percent of provision to total revenue.
- g. An explanation of the method used to calculate the annual uncollectible provision.

7. A schedule of salaries and wages for the test year and each of the five calendar years preceding the test year as shown in Format 3a and 3b, attached.

8. Provide the utility's debt service coverage ratio for the test year and the five preceding calendar years. Include the data used to calculate each ratio.

9. Provide the utility's rate of return on net investment rate base for the test year and five preceding calendar years.

10. In comparative form, an income statement, a statement of changes in financial position, and a balance sheet for the test year and the twelve month period immediately preceding the test year.

11. A detailed analysis of expenses incurred during the test year for professional services as shown in attached Format 4, and all detailed working papers supporting the analysis. At minimum the work papers should show the payee dollar amount, reference (i.e., voucher no., etc.) account charged, hourly rates and time charged to the utility according to each invoice, and a brief description of the service provided.

12. Submit a copy of any agreement, ordinance and/or resolution for the bonds outstanding and for each of the other issues of long-term debt.

13. A copy of the current by-laws of the district.

Done at Frankfort, Kentucky, this 12th day of August, 1982.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Secretary

Kenton County Water District
Commonwealth of Kentucky
Case No. 8572

ANALYSIS OF ADVERTISING

For the Test Year Ending June 30, 1982

Line No.	Item (a)	Sales or Promotional (b)	Institutional Advertising (c)	Conservation Advertising (d)	Rate Case (e)	Other (f)	Total (g)
1.	Newspapers and periodicals						
2.	Booklets and pamphlets						
3.	Bill inserts						
4.	Displays, exhibits, posters, and placards						
5.	Motion pictures						
6.	Radio						
7.	Television						
8.	Salaries and wages						
9.	Other advertising						
10.	Other expenses						
11.	Total						

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930 - Miscellaneous General Expenses
For The Test Year Ending June 30, 1982

<u>Line No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1.	Preliminary surveys, plans, investigations	
2.	Purchase of employees service emblems	
3.	Membership fees and dues	
4.	Directors' fees and expenses	
5.	Printing Annual Report	
6.	Other items (itemize)	
7.		
8.		
9.	Total	

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ANALYSIS OF SALARIES AND WAGES CHARGED TO EXPENSE
TEST YEAR ENDING June 30, 1982

REGULAR TIME:

REGULAR TIME:		12 Months Ended					
Line No.	Item (a)	Calendar Years Prior to Test Year					Test Year
		5th (b)	4th (c)	3rd (d)	2nd (e)	1st (f)	
1.	Source of Supply	\$	\$	\$	\$	\$	\$
	(a) Operation						
	(b) Maintenance						
2.	Pumping						
	(a) Operation						
	(b) Maintenance						
3.	Water Treatment						
	(a) Operation						
	(b) Maintenance						
4.	Transmission and Distribution						
	(a) Operation						
	(b) Maintenance						
5.	Customer Accounts						
6.	Sales						
7.	Administrative and General						
	(a) Allocated to						
	(b)						
8.	Total Salaries and Wages Charged Expense (1 through 7)						
9.	Salaries and Wages Charged to Construction						
10.	Total Salaries and Wages	\$	\$	\$	\$	\$	\$

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ANALYSIS OF SALARIES AND WAGES CHARGED TO EXPENSE
TEST YEAR ENDING June 30, 1982

		12 Months Ended					
		Calendar Years Prior to Test Year				Test	
<u>Line</u> <u>No.</u>	<u>Item</u> <u>(a)</u>	<u>5th</u> <u>(b)</u>	<u>4th</u> <u>(c)</u>	<u>3rd</u> <u>(d)</u>	<u>2nd</u> <u>(e)</u>	<u>1st</u> <u>(f)</u>	<u>Year</u> <u>(g)</u>
1.	Source of Supply	\$	\$	\$	\$	\$	\$
	(a) Operation						
	(b) Maintenance						
2.	Pumping						
	(a) Operation						
	(b) Maintenance						
3.	Water Treatment						
	(a) Operation						
	(b) Maintenance						
4.	Transmission and Distribution						
	(a) Operation						
	(b) Maintenance						
5.	Customer Accounts						
6.	Sales						
7.	Administrative and General						
	(a) Allocated to						
	(b)						
8.	Total Salaries and Wages Charged Expense (1 through 7)						
9.	Salaries and Wages Charged to Construction						
10.	Total Salaries and Wages	\$	\$	\$	\$	\$	\$

Kenton County Water District
Case No. 8572
Outside Service Expenses
For the Twelve Months Ended June 30, 1982

<u>Line No.</u>	<u>Item</u>	<u>Rate Case</u>	<u>Annual Audit</u>	<u>Other</u>	<u>Total</u>
1.	Legal				
2.	Engineering				
3.	Accounting				
4.	Other				
5.	Total				